

Company registration number: 2881225

Charity registration number: 1031482

# the Environment Centre (tEC)

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2016

# **the Environment Centre (tEC)**

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## **the Environment Centre (tEC)**

### **Reference and Administrative Details**

<b>Trustees</b>	P Kelly MBE (Chairman) C Rowland (Vice Chairman and Treasurer) P Dean (Treasurer) (resigned 7 May 2015) Dr A Whitehead MP I Nelson B Clark (resigned 7 May 2015) A Drakakis
<b>Other Officers</b>	A Goulden, Chief Executive
<b>Principal Office</b>	2nd Floor Equity and Law House 14-15 Brunswick Place Southampton Hampshire SO15 2AQ
<b>Company Registration Number</b>	2881225
<b>Charity Registration Number</b>	1031482
<b>Bankers</b>	Royal Bank of Scotland 156 High Street Southampton Hampshire SO14 2NP
<b>Independent Examiner</b>	PKF Francis Clark Chartered Accountants Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW

## **the Environment Centre (tEC)**

### **Trustees' Report**

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2016.

#### **Trustees**

P Kelly MBE (Chairman)

C Rowland (Vice Chairman and Treasurer)

P Dean (Treasurer) (resigned 7 May 2015)

Dr A Whitehead MP

I Nelson

B Clark (resigned 7 May 2015)

A Drakakis

#### **Summary Report**

2015/16 has been an excellent year for the Environment Centre and has seen the charity successfully bid for a number of high value projects and contracts.

Although project delivery has been challenging in some instances, particularly with Green Deal Communities and Central Heating Fund, the team has risen to the challenge and should be highly commended for persevering in what have been very difficult and uncertain circumstances.

We are delighted to have been re-awarded the Hitting the Cold Spots contract and with more responsibility for project management and communications we see an opportunity to build on the projects past successes to reach a wider audience and assist harder to reach households.

The British Gas Energy Trust funded project Southampton Healthy Homes is progressing well and is generating much interest both within the city and further afield. Our challenge will be to continue to develop this flagship scheme, exceed our targets and make the case for further funding in 2017/18

There is still much uncertainty about the possible impacts of the recent referendum and plans for local devolution are adding another layer of complexity to what is already a confused picture. We will monitor developments in both of these areas with interest.

#### **Structure, Governance and Management**

##### Governing Document

The Charity is constituted as a Company limited by Guarantee and governed by a Memorandum and Articles of Association incorporated on 16 December 1993. It is registered with the Charity Commissioners under charity number 1031482. The Board of Trustees, with advice from the Charities Commission, amended their Memorandum and Articles in June 2010. Each member agrees to contribute £1 in the event of the charity winding up.

##### Appointment of trustees

As set out in the Articles of Association the trustees are approved by a unanimous vote of the existing board of trustees following a successful interview process. The process includes the Chief Executive obtaining satisfactory references and ensuring the nominated trustees fully understand their obligations to the charity. New trustees can be nominated throughout the year and are approved to the board at the quarterly board meetings.

## **the Environment Centre (tEC)**

### **Trustees' Report**

There is no limit to the time a trustee may serve.

As the majority of work undertaken by the charity is in partnership with the local authorities of Hampshire and the Isle of Wight, the charity welcomes nominees from these authorities. Nominees appointed from local authorities are subject to the appointment processes of those bodies and the guidelines on appointment to public office as they apply to Local Government nominees.

#### Trustee induction and training

Before being nominated new trustees are briefed by the Chief Executive on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee, decision making processes and minimum commitment expected from the new trustee. They also learn in situ about the organisation structure, business plan and recent financial performance of the charity. Having been nominated, the new trustee will meet key employees and be provided with access to operational procedures. They will be encouraged to attend appropriate events to gain greater knowledge of the charity's activities and to help in the undertaking of their role.

#### Organisation

The Board of trustees administers the charity and meets formally on a quarterly basis; however meetings on specific matters are arranged as and when required. The Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and activity performance. The trustees are supplied with financial information quarterly and an activity and funding report every six months (or more frequently should the need arise).

#### Related parties

The charity's continued success lays in its steadfast commitment and ability to remain independent, apolitical and non-campaigning.

The charities wholly owned subsidiary, Environment Centre Enterprises Limited, was established to operate any commercial environmental work deemed to be not solely charitable, but which supported environmental best practice or materials to support environmental best practice. In 2015/16 this company did not undertake activity or trading.

#### **Objectives and activities**

As an independent Environmental Charity tEC's missions is:

- The advancement of education of the public in all matters concerning the environment.
- The preservation and protection of the environment by;
- The provision of practical support and advice to all individuals and organisations wanting to enhance their environment and reduce their use of natural resources.
- Raising awareness of environmental issues within all sections of the community, through supporting sustainable action in disadvantaged neighbourhoods.
- The adoption of sustainable practices amongst the general public, schools and businesses.

The activities of the charity include:

#### For Local Authorities and Government-led organisations

- Project management

## **the Environment Centre (tEC)**

### **Trustees' Report**

- Provision of a free phone advice line for front line staff and members of the public on matters such as fuel poverty, Energy Efficiency, waste and recycling, water saving and grants available for home improvement
- Data interpretation and mapping services.
- Response to local and national consultations
- Bid writing Services
- In house training on energy efficiency, sustainability and fuel poverty
- Assistance with ongoing HECA reporting
- Working with Local Authorities to develop sustainable policies, strategies and action plans
- Outreach events promoting sustainability through schools, Community or Council events
- Offering advice and guidance on accessing funding for environmental projects

#### For individuals

- Free phone advice on: 0800 804 8601
- Home Visits – to provide bespoke advice on Energy Efficiency and sustainability in the home.
- Guidance on accessing grants and loans and hand holding support with applications for the most vulnerable
- Energy Surgeries in public spaces
- Energy awareness events
- Mobile advice at shopping centres, supermarkets, motorway service stations and similar locations

#### For schools

- School assemblies and environment-themed activities
- Environmental education workshops.
- Road shows, storytelling and fun days to encourage engagement in climate change issues.
- Staff and governor training in energy and environmental issues
- Water, waste and energy audits.

#### For business

- Energy and Environmental Audits
- Data interpretation and mapping services
- Guidance on Environmental Management Systems
- Sustainability Strategies
- Green Travel Plans
- In House Environmental Training
- In House Business Road shows
- Free phone advice line
- Renewables Feasibility Studies

The Trustees review our aims, objectives and activities each year to ensure that we remain focused and have given due regard to public benefit when planning the charity's activities.

## the Environment Centre (tEC)

### Trustees' Report

#### Achievements and performance

##### New Projects and activities:

- Southampton Healthy Homes – tEC was awarded £500,000 to deliver a comprehensive fuel poverty support service for vulnerable Southampton residents. This includes the provision of information and advice, casework support and practical interventions (energy efficiency grants, and crisis – food, clothes basics & utility grants).
- Hitting the Cold Spots - We were successful in tendering for the 2016-17 service providing a further £120,000 (including capital budget) for the service. The new contract allows for the possibility of a further two years funding - the decision will be made on an annual basis. tEC will now have further responsibilities for communications as well as a formalised evaluation.
- Central Heating Fund: As part of a consortium comprising Hampshire County Council and Southampton City and Portsmouth City Councils tEC was successful in its bid for £337,843 for the installation of 108 first time central heating systems in E,F and G rated properties
- Southampton Warmth for All - tEC was awarded £49,000 to reach out to vulnerable households in Southampton to provide advice and practical help with home energy, helping to keep people warm and lift them out of fuel poverty. The services are made available to low income households with young children or other vulnerabilities due to ill health or disability, and was largely targeted at people in private rented accommodation.
- SAVE – tEC was awarded £74,000 for a 2.5 year project aimed at exploring whether and how community coaching can be effective in managing peak energy demand, as an alternative to network reinforcement.

##### Existing projects and activities

- Southampton Commissioned Grants Programme – tEC was awarded £43,250 for 2015-16 to continue provide the free phone advice line service and 2 qualified Green Deal assessors for the benefit of Southampton residents.
- We continued to run our Southampton Schools Eco education project to deliver workshops on energy saving behavioral changes at schools which are involved in the City Council's energy efficiency improvements programme.
- We continued to developed and deliver our EPC and big data mapping service for Local Authorities
- As part of our ongoing drive to improve the charities visibility we have improved our website and re-deployed a member of staff to act as a dedicated communications officer. We have also produced a short video to promote our Southampton Healthy Homes project.

##### Financial review

The incoming resources for this accounting period amounted to £570,615 (2014/15 £492,477) of which the surplus on activities was £95,109 (2014/15 – £141,378). Currently all reserves are held in interest bearing bank accounts, however the economic situation has shown this interest was of minimal benefit in the last year and forecasted to not make any significance benefit in the coming year. The aim has been to achieve a minimum of reserves of the equivalent of 4 months of overhead expenses at circa £100,000.

## **the Environment Centre (tEC)**

### **Trustees' Report**

#### Investment powers and policies

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish, however the trustees continue to maintain the remit not to invest in anything other than its staff.

#### Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) as being £100,000 or 4 months overhead and salary commitments. Free reserves at the year end were £240,717 which is deemed sufficient.

#### Public Benefit

The Trustees have given due regard to public benefit when planning the charity's activities, in accordance with the Charity Commission's General Guidance on Public Benefit.

The paragraphs above set out our activities, achievements and performance during the year, which are directly related to the objects and purposes for which the charity exists. The charity achieves its principal objects and purposes through the provision of education, practical support and advice, by raising awareness and adopting sustainable practices. These benefits are directly related to the aims of the charity and are fully compliant with the Charity Commission Principles on Public Benefit.

#### Plans for future periods

The Board of Trustees and the Senior Management Team have produced a business plan which helps to focus our efforts. In the next year tEC will seek to:

- Deliver Southampton Healthy Homes to the best of our abilities and look to make the case for ongoing funding from a variety of different sources to continue to run this very successful project. Potentially to cover a wider geographical area.
- Get involved with Southampton City Councils emerging Air Quality Strategy.
- Continue to work with Future South and the energy strategy group to investigate potential funding options for large scale regional energy efficiency and fuel poverty projects.
- Continue to successfully deliver the Hitting the Cold Spots project and give ourselves the best possible chance of securing work through this programme in 2017/18.
- Continue to successfully deliver Southampton City Council Grant work and look to develop a partnership bid for a fuel poverty/energy efficiency project for the next financial year.
- Build upon recent success of data analysis and mapping services and promote these to a wider audience.
- Continue working closely with Southampton City Council, Portsmouth City Council and Hampshire County Council on projects of mutual benefit – particularly Fuel Poverty Projects.
- Secure more work from other Local Authorities either on their own or as part of a larger partnership.
- Continue to investigate opportunities to diversify away from exclusively delivering Fuel Poverty and Energy related projects. Air Quality, Waste, Circular Economy and Water projects are of particular interest.
- Continue to improve the staff development, training and remuneration package.
- Further develop our marketing strategy, brand and logo.
- Continue to establish and maintain a strong network of contacts.
- Continue to review our fees to ensure competitiveness and profitability on a project-by-project basis.



## the Environment Centre (tEC)

### Trustees' Report

#### Risk management

The following risks have been identified as relevant to the business:

- Continuing harsh economic climate.
- Continued Local Authority Cuts and devolution.
- Uncertainty about the direction of Government Policy concerning Energy and sustainability particularly in the light of Brexit.
- Continued uncertainty about the future form ECO.
- Lack of diversity in current customer base.
- Increase in competition from other businesses/charities for decreasing funds.
- Potential for funding for one or two key projects to disappear in 2016.
- Staffing levels are acceptable with current workload but may present a problem in terms of capacity if we are successful with additional funding applications.

#### Mitigation Strategy:

A number of strategies have been initiated in order to mitigate identified risks:

- tEC to keep informed of developments with Brexit and plans for local devolution.
- tEC will respond to the Government consultation on ECO and Ofgem's consultation on redress funding in August in order to take advantage of potential project and funding opportunities quickly and proactively should the opportunity arise.
- tEC will continue to investigate opportunities for partnership working.
- The SMT will carefully monitor staff workload and capacity and look to recruit quickly if more projects come on line.
- The Chief Executive will continue to network and develop new business links with relevant organisations.
- Strong emphasis has been placed on securing additional funding to deliver existing projects going forward.
- Emphasis has also been placed on partnership working with LA's and other TSO's to allow tEC access to alternative sources of funding.
- We continue to investigate innovative ways to grow the consultancy side of the charity including data analysis and mapping services.
- We will recruit one or two interns again this year to cover potential increases in workload.

#### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the Charity on 30 September 2016 and signed on its behalf by:

.....  
P Kelly MBE (Chairman)  
Trustee

## **the Environment Centre (tEC)**

### **Statement of Trustees' Responsibilities**

The trustees (who are also the directors of the Environment Centre (tEC) for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the Charity on 30 September 2016 and signed on its behalf by:

.....  
P Kelly MBE (Chairman)  
Trustee

## the Environment Centre (tEC)

### Independent Examiner's Report to the trustees of the Environment Centre (tEC)

I report on the accounts of the company for the year ended 31 March 2016 which are set out on pages 10 to 26 .

#### Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me a reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....  
Nicholas Love ACA FCCA  
Chartered Accountants

Towngate House  
2-8 Parkstone Road  
Poole  
Dorset  
BH15 2PW

7 October 2016

the Environment Centre (tEC)

**Statement of Financial Activities for the Year Ended 31 March 2016**  
**(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>Income and Endowments from:</b>					
Donations and legacies	2	-	1,255	1,255	2,800
Charitable activities	3	316,464	250,351	566,815	487,382
Investment income	4	489	-	489	295
Other income	5	2,042	14	2,056	2,000
Total Income		<u>318,995</u>	<u>251,620</u>	<u>570,615</u>	<u>492,477</u>
<b>Expenditure on:</b>					
Charitable activities	6	<u>(277,438)</u>	<u>(198,068)</u>	<u>(475,506)</u>	<u>(351,099)</u>
Total Expenditure		<u>(277,438)</u>	<u>(198,068)</u>	<u>(475,506)</u>	<u>(351,099)</u>
Net income		41,557	53,552	95,109	141,378
Transfers between funds		<u>4,262</u>	<u>(4,262)</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains and losses</b>					
Net movement in funds		45,819	49,290	95,109	141,378
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>240,294</u>	<u>173,755</u>	<u>414,049</u>	<u>272,671</u>
Total funds carried forward	18	<u>286,113</u>	<u>223,045</u>	<u>509,158</u>	<u>414,049</u>

All of the Charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2015 is shown in note 18.

**the Environment Centre (tEC)**  
**(Registration number: 2881225)**  
**Balance Sheet as at 31 March 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	5,696	1,595
Investments	13	<u>1</u>	<u>1</u>
		<u>5,697</u>	<u>1,596</u>
<b>Current assets</b>			
Debtors	14	96,139	150,059
Cash at bank and in hand		<u>521,643</u>	<u>360,089</u>
		617,782	510,148
<b>Creditors: Amounts falling due within one year</b>	15	<u>(114,321)</u>	<u>(97,695)</u>
<b>Net current assets</b>		<u>503,461</u>	<u>412,453</u>
<b>Net assets</b>		<u>509,158</u>	<u>414,049</u>
<b>Funds of the Charity:</b>			
<b>Restricted income funds</b>		223,045	173,755
<b>Unrestricted income funds</b>		<u>286,113</u>	<u>240,294</u>
Unrestricted income funds		<u>286,113</u>	<u>240,294</u>
<b>Total funds</b>		<u>509,158</u>	<u>414,049</u>

**the Environment Centre (tEC)**  
**(Registration number: 2881225)**  
**Balance Sheet as at 31 March 2016**

For the financial year ending 31 March 2016 the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 10 to 26 were approved by the trustees, and authorised for issue on 30 September 2016 and signed on their behalf by:

.....  
P Kelly MBE (Chairman)  
Trustee

.....  
C Rowland (Vice Chairman and Treasurer)  
Trustee

**the Environment Centre (tEC)**

**Statement of Cash Flows for the Year Ended 31 March 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash income		95,109	141,378
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		1,714	55
Investment income	4	<u>(489)</u>	<u>(295)</u>
		96,334	141,138
<b>Working capital adjustments</b>			
Decrease/(increase) in debtors	14	53,920	(108,308)
Increase in creditors	15	<u>16,626</u>	<u>72,571</u>
Net cash flows from operating activities		<u>166,880</u>	<u>105,401</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	489	295
Purchase of tangible fixed assets	12	<u>(5,815)</u>	<u>(1,650)</u>
Net cash flows from investing activities		<u>(5,326)</u>	<u>(1,355)</u>
Net increase in cash and cash equivalents		161,554	104,046
Cash and cash equivalents at 1 April		<u>360,089</u>	<u>256,043</u>
Cash and cash equivalents at 31 March		<u><u>521,643</u></u>	<u><u>360,089</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

## the Environment Centre (tEC)

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 1 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Basis of preparation

The Environment Centre (tEC) is a registered charity, registration number 1031482, company number 2881225, registered in the United Kingdom. The address of the charity is given in the reference and administrative details on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees annual report set out on pages 2 - 7.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in the notes to these financial statements.

##### Group accounts not prepared

The charity is part of a small group. The charity has taken advantage of the exemption provided by section 339 of the Companies Act 2006 and has not prepared group accounts.

##### Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### *Donations and legacies*

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

##### *Charitable activities*

Incoming resources consists of amounts chargeable in respect of projects and activities delivered and grants received or receivable in respect of the delivery of core activities.



## **the Environment Centre (tEC)**

### **Notes to the Financial Statements for the Year Ended 31 March 2016**

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

#### **Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

#### **Governance costs**

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

#### **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **Taxation**

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Tangible fixed assets**

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

## the Environment Centre (tEC)

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	33% straight line basis
Equipment	20% straight line basis

#### Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### Fund accounting

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds are resources set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

**the Environment Centre (tEC)**

**Notes to the Financial Statements for the Year Ended 31 March 2016**

**2 Income from donations and legacies**

	<b>Restricted funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Donations and legacies;			
Donations	1,255	1,255	2,800
	<u>1,255</u>	<u>1,255</u>	<u>2,800</u>

All of the income in the prior year was attributable to unrestricted funds.

**3 Income from charitable activities**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Environmental project activities	316,464	250,351	566,815	487,382
	<u>316,464</u>	<u>250,351</u>	<u>566,815</u>	<u>487,382</u>

£143,961 of the income in the prior year was attributable to restricted funds and £343,421 was attributable to unrestricted funds.

**4 Investment income**

	<b>Unrestricted funds General £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Interest receivable and similar income;			
Interest receivable on bank deposits	489	489	295
	<u>489</u>	<u>489</u>	<u>295</u>

All of the income in the prior year was attributable to unrestricted funds.

**5 Other income**

	<b>Unrestricted funds General £</b>	<b>Restricted funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Other income	2,042	14	2,056	2,000
	<u>2,042</u>	<u>14</u>	<u>2,056</u>	<u>2,000</u>

All of the income in the prior year was attributable to unrestricted funds.

**the Environment Centre (tEC)**

**Notes to the Financial Statements for the Year Ended 31 March 2016**

**6 Expenditure on charitable activities**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Employment costs	240,675	242,718
Light and heat	895	1,038
Repairs and maintenance	31,544	27,865
Office expenses	13,515	10,622
Books, periodicals and project materials	171,352	46,904
Irrecoverable VAT	2,667	462
Third party grant distribution	164	7,081
Travel and subsistence	7,853	10,003
Advertising and promotion	950	66
Bank charges	232	214
Depreciation of tangible fixed assets	1,713	55
Accountancy fees	250	500
	<u>471,810</u>	<u>347,528</u>

£50,536 of the expenditure in the prior year was attributable to restricted funds and £300,563 was attributable to unrestricted funds.

**7 Analysis of governance and support costs**

**Governance costs**

	<b>Unrestricted funds</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
	<b>General £</b>		
Independent Examiner's remuneration	3,696	3,696	3,451
Legal fees	-	-	120
	<u>3,696</u>	<u>3,696</u>	<u>3,571</u>

## the Environment Centre (tEC)

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 8 Net incoming/outgoing resources

Net incoming resources for the year include:

	2016	2015
	£	£
Depreciation of fixed assets	1,713	55
Accountancy fees	250	500
Independent examiners' fees	<u>3,696</u>	<u>3,451</u>

tEC has an insurance policy which does provide trustees' indemnity cover, however the premium covers all of the charity's liabilities and the element of the premium relating to trustees' liability is not separately identifiable.

#### 9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

## the Environment Centre (tEC)

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 10 Staff costs

The aggregate payroll costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	212,702	213,146
Social security costs	18,121	17,519
Other staff costs	9,852	12,053
	<u>240,675</u>	<u>242,718</u>

The monthly average number of persons (including senior management team) employed by the Charity during the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>No</b>	<b>No</b>
Staff numbers	<u>11</u>	<u>11</u>

No employee received emoluments of more than £60,000 during the year.

#### 11 Taxation

No tax was charged in the year (2015 - £nil).

**the Environment Centre (tEC)**

**Notes to the Financial Statements for the Year Ended 31 March 2016**

**12 Tangible fixed assets**

	<b>Furniture and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2015	51,146	13,148	64,294
Additions	5,815	-	5,815
At 31 March 2016	<u>56,961</u>	<u>13,148</u>	<u>70,109</u>
<b>Depreciation</b>			
At 1 April 2015	51,146	11,553	62,699
Charge for the year	1,164	550	1,714
At 31 March 2016	<u>52,310</u>	<u>12,103</u>	<u>64,413</u>
<b>Net book value</b>			
At 31 March 2016	<u>4,651</u>	<u>1,045</u>	<u>5,696</u>
At 31 March 2015	<u>-</u>	<u>1,595</u>	<u>1,595</u>

**13 Fixed asset investments**

	<b>2013 £</b>	<b>2015 £</b>
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

**Shares in group undertakings and participating interests**

	<b>Subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2015	<u>1</u>	<u>1</u>
At 31 March 2016	<u>1</u>	<u>1</u>
<b>Net book value</b>		
At 31 March 2016	<u>1</u>	<u>1</u>
At 31 March 2015	<u>1</u>	<u>1</u>

## the Environment Centre (tEC)

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### Details of undertakings

Details of the investments in which the Charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
<b>Subsidiary undertakings</b>				
Environment Centre Enterprises Limited	UK	Ordinary	100%	Dormant

#### Subsidiaries

The profit for the financial period of Environment Centre Enterprises Limited was £Nil and the aggregate amount of capital and reserves at the end of the period was £1.

#### 14 Debtors

	2016 £	2015 £
Trade debtors	48,115	144,212
Prepayments	13,626	5,365
Other debtors	34,398	482
	<u>96,139</u>	<u>150,059</u>

#### 15 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	12,354	54,653
Other taxation and social security	18,293	27,068
Accruals and deferred income	83,674	15,974
	<u>114,321</u>	<u>97,695</u>

#### 16 Charity status

The Charity is a Charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the Charity in the event of liquidation.



## the Environment Centre (tEC)

### Notes to the Financial Statements for the Year Ended 31 March 2016

#### 17 Commitments

##### Capital commitments

At 31 March 2016 the charity had annual commitments under non-cancellable operating leases. Land and buildings due within two to five years of £15,129 (2015: £12,608) and other operating leases due within two to five years of £2,925 (2015: £2,417).

The total amount contracted for but not provided in the financial statements was £18,054 (2015 - £15,025).

#### 18 Funds

	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2016 £
<b>Unrestricted funds</b>					
<i>Unrestricted general funds</i>					
Unrestricted	205,294	318,995	(277,438)	(738)	246,113
<i>Unrestricted designated funds</i>					
Designated	35,000	-	-	5,000	40,000
<b>Total unrestricted funds</b>	<u>240,294</u>	<u>318,995</u>	<u>(277,438)</u>	<u>4,262</u>	<u>286,113</u>
<b>Restricted funds</b>					
Transition town Romsey	2,776	200	54	-	3,030
Ropewalk garden association - Community association	1,377	724	(218)	-	1,883
Refugee support - National government	2,180	-	-	-	2,180
Hitting the cold spots (inc STOP)	163,160	25,014	(50,166)	-	138,008
Public health Southampton	4,262	-	-	(4,262)	-
British Gas Energy Trust	-	146,790	(70,101)	-	76,689
Green Deal Communities	-	77,637	(77,637)	-	-
Central Heating Fund	-	1,255	-	-	1,255
<b>Total restricted funds</b>	<u>173,755</u>	<u>251,620</u>	<u>(198,068)</u>	<u>(4,262)</u>	<u>223,045</u>
<b>Total funds</b>	<u><u>414,049</u></u>	<u><u>570,615</u></u>	<u><u>(475,506)</u></u>	<u><u>-</u></u>	<u><u>509,158</u></u>

**the Environment Centre (tEC)**

**Notes to the Financial Statements for the Year Ended 31 March 2016**

	<b>Balance at 1 April 2014 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Balance at 31 March 2015 £</b>
<b>Unrestricted funds</b>					
<i>Unrestricted general funds</i>					
Unrestricted	192,351	348,516	(300,563)	(35,010)	205,294
<i>Unrestricted designated funds</i>					
Designated	-	-	-	35,000	35,000
<b>Total unrestricted funds</b>	<u>192,351</u>	<u>348,516</u>	<u>(300,563)</u>	<u>(10)</u>	<u>240,294</u>
<b>Restricted funds</b>					
Transition town Romsey	6,108	1,300	(4,632)	-	2,776
Ropewalk garden association - Community association	826	3,000	(2,449)	-	1,377
Refugee support - National government	2,180	-	-	-	2,180
Hitting the cold spots (inc STOP)	65,715	140,021	(42,576)	-	163,160
Public health Southampton	5,000	-	(738)	-	4,262
<b>Total restricted funds</b>	<u>79,829</u>	<u>144,321</u>	<u>(50,395)</u>	<u>-</u>	<u>173,755</u>
<b>Total funds</b>	<u><u>272,180</u></u>	<u><u>492,837</u></u>	<u><u>(350,958)</u></u>	<u><u>(10)</u></u>	<u><u>414,049</u></u>

The specific purposes for which the funds are to be applied are as follows:

Transition Town Romsey / Ropewalk Garden – 2 small community groups who do not have their own bank account and tEC hold their funds for them.

Hitting the Cold Spots – Ringfence funding for energy efficiency improvements, particularly boiler repairs and replacements, on behalf of Hampshire County Council.

Public Health – Ringfence budget to support fuel poor residents for Southampton City Council.

British Gas Energy Trust – Ringfence funding for energy efficiency improvements for Southampton residents.

Green Deal Communities – Ringfence funding for boiler repairs and replacements and solid wall insulation for Southampton residents.

Central Heating Fund – Ringfence budget for first time central heating systems for Southampton and Hampshire residents.

## the Environment Centre (tEC)

### Notes to the Financial Statements for the Year Ended 31 March 2016

The transfer from the Public Health Southampton fund relates to unspent monies at the project closure date that are permissible to be allocated to unrestricted funds.

The transfer to the designated fund has been made to increase the amount designated by the board in respect of a future office move and delapidations, staff training and development, upgrade of the company vehicle and match funding.

#### 19 Analysis of net assets between funds

	Unrestricted funds		Restricted	Total funds
	General funds	Designated	funds	
	£	funds	£	£
		£		
Tangible fixed assets	5,696	-	-	5,696
Fixed asset investments	1	-	-	1
Current assets	354,737	40,000	223,045	617,782
Current liabilities	(114,321)	-	-	(114,321)
Total net assets	<u>246,113</u>	<u>40,000</u>	<u>223,045</u>	<u>509,158</u>

## **the Environment Centre (tEC)**

### **Notes to the Financial Statements for the Year Ended 31 March 2016**

#### **20 Related party transactions**

During the year the Charity made the following related party transactions:

##### **Southampton City Council**

(Colin Rowland is a trustee of the Environment Centre and was also employed by Southampton City Council during the year.)

During the year the charity provided services, on normal commercial terms to Southampton City Council totalling £146,560 (2015: £134,884). At the balance sheet date the amount due from Southampton City Council was £26,107 (2015 - £8,125).

#### **21 Transition to FRS 102**

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 March 2016.

The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

##### a) Changes in accounting policies

No consequential changes in accounting policies resulting from adoption of SORP (FRS 102) were required.

##### b) Reconciliation of total charity funds

No adjustments were required to previously reported total charity funds at the date of transition to SORP (FRS 102) or at the end of the comparative period.

##### c) Reconciliation of comparative period net income

No adjustments were required to previously reported net income in the comparative period: